

17 September 2004

Mr Will Roche  
Head of Corporate Planning and Regulation,  
Bord Gáis Éireann,  
P.O. Box 51,  
Gasworks Road,  
Cork.

Our Ref.: 18071

**Re: Integration of BGÉ Transmission & Distribution Business Units.**

Dear Mr Roche,

Following the publication of a consultation paper entitled “Business Separation and Licensing of Bord Gáis Éireann” (“BGÉ”) (CER/03/020) the Commission for Energy Regulation (“the Commission”) received a number of comments including a detailed submission from BGÉ outlining its proposal for integrating its transmission and distribution business units. The Commission hereby authorises BGÉ to proceed with the proposed integration of the transmission and distribution business units into Asset Management and Network Operator business units.

In order to accommodate this integrated business model, the Commission hereby consents that the following ring-fencing provisions within the transmission licence (under Condition 22) and distribution licence (under Condition 21) are not applicable in respect of the BGÉ Distribution Business Unit (with regard to Condition 22 of the transmission licence) and BGÉ Transmission Business Unit (with regard to Condition 21 of the distribution licence):

- Paragraph 2
- Paragraph 3
- Paragraph 5 a, b, c, d
- Paragraph 6 a, b, c

For the avoidance of doubt, these ring-fencing provisions will apply to **all** other separate businesses. The above exemptions will apply until further notice and are subject to the Commission’s review.

Please note the Commission may review the distribution licence in the future to facilitate potential competitions in distribution.

Yours sincerely,

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Tom Reeves  
Commissioner